

## Message Text

CONFIDENTIAL

PAGE 01 CARACA 06959 01 OF 02 122238Z

ACTION ARA-14

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L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 EB-07 AID-05 TRSE-00 IO-13 IGA-02 MCT-01

EUR-12 DLOS-09 SAB-02 OES-07 ERDA-05 NRC-05 AF-10

ACDA-07 /145 W

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P 122100Z JUL 77

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 8375

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 6959

FOR ASST. SEC. TODMAN FROM AMBASSADOR VAKY

E.O. 11652: GDS

TAGS: PFOR, VE

SUBJECT: FOLLOW-UP TO PEREZ STATE VISIT

1. I THINK YOU WILL AGREE THAT THE VISIT OF CARLOS ANDRES PEREZ (CAP) WAS PSYCHOLOGICALLY SUCCESSFUL. CAP BELIEVES THE VISIT INITIATED A PROCESS OF CONSULTATION AND CLOSE WORKING RELATIONSHIPS-- BY WHICH HE MEANS THIS WAS ONLY A BEGINNING AND HE EXPECTS MORE TO FLOW FROM IT. (IN HIS ANNUAL JULY 5 ADDRESS TO THE NATION HE SAID: "I FOUND IN PRESIDENT JIMMY CARTER A FRIENDLY VOICE CAPABLE OF UNDERSTANDING. IT IS STILL PREMATURE TO ESTIMATE THE SCOPE OF THE REALITIES WHICH THOSE WORDS AND THOSE INTENTIONS MAY HAVE. BUT IT IS POSSIBLE TO AFFIRM THAT A DIALOGUE HAS BEEN INITIATED IN IDEOLOGICAL, PRACTICAL, GLOBAL, REGIONAL AND BILATERAL TERMS...").

2. WHETHER THE VISIT IS IN FACT TO HAVE ANY LASTING BENEFIT WILL DEPEND ESSENTIALLY ON HOW WELL AND FULLY WE FOLLOW-UP ON THE EXCELLENT OPPORTUNITIES AFFORDED US AND ON THE SPECIFCS THAT AROSE. IF WE FAIL TO FOLLOW-UP, THE VISIT WILL, IN RETROSPECT, APPEAR TO HAVE BEEN CYNICAL AND INSINCERE ON  
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PAGE 02 CARACA 06959 01 OF 02 122238Z

OUR PART, OPPORTUNITIES FOR ADVANTAGEOUS COOPERATION WILL HAVE BEEN LOST AND SOME BACKLASH WILL BE INEVITABLE.

3. FUNDAMENTALLY WHAT WE NEED TO DECIDE IS WHETHER WE WANT TO TAKE VENEZUELA SERIOUSLY, AND WHETHER WE REALLY DO WANT TO FOLLOW-UP WITH JOINT CONSULTATIONS OR ACTION ON THE RANGE OF ISSUES DISCUSSED. WITH ACTION RESPONSIBILITIES DIFFUSED THROUGHOUT THE

BUREAUCRACY, ENTHUSIASM AND HOW ONE ESTIMATES THE POTENTIAL OR EVEN DESIRABILITY FOR GOV COOPERATION WILL VARY WITHIN THE USG DEPENDING UPON THE ITEM AND THE PAROCHIAL CONSIDERATIONS INVOLVED. THEREFORE, LEFT TO NATURE, RESPONSES WILL BE UNEVEN AND EVEN CONTRADICTORY. UNFORTUNATELY THE NATURE OF OUR BUREAUCRATIC ORGANIZATION WHICH COMPARTMENTALIZES THE HANDLING OF ISSUES IN VARIOUS PARTS OF THE GOVERNMENT TENDS TO CONCEAL THE FACT THAT FROM VENEZUELA'S POINT OF VIEW OUR RELATIONSHIP IS SEEN IN MUCH MORE INTEGRATED FASHION. IN THE VENEZUELAN MIND, THERE ARE, FORGIVE THE EXPRESSION, LINKAGES AND THE FACT IS THAT THE GOV'S WILLINGNESS TO BE FORTHCOMING ON THINGS WE ARE INTERESTED IN (E.G. ILLEGAL PAYMENTS, LAW OF THE SEA) WILL BE MATERIALLY INCREASED BY OUR WILLINGNESS TO BE FORTHCOMING ON THINGS THEY ARE PRIMARILY INTERESTED IN (E.G. TRADE LAW, CARIBBEAN, NUCLEAR REPROCESSING FOR LATIN AMERICA). FINALLY, THERE ARE A WHOLE RANGE OF BILATERAL MATTERS, SUCH AS TECHNOLOGY EXCHANGE, US EXPORTS, AND CHANCES FOR US FIRMS TO WIN LARGE GOVERNMENT CONTRACTS, WHICH THE VISIT BARELY TOUCHED UPON BUT REGARDING WHICH A FAVORABLE (TO US) EVOLUTION WILL BE LARGELY DEPENDENT UPON WHATEVER SENSE OF OVERALL FRIENDSHIP, CONSULTATION AND COOPERATION WE CAN GIVE TO THE GOV ON MAJOR INTERNATIONAL AND REGIONAL ISSUES. IN SHORT, UNLESS WE INFORM THE TOTAL USG POST-VISIT REACTION WITH SOME OVER-ARCHING PURPOSE, STRATEGY OR PREMISE WE WILL LOSE OPPORTUNITY, AND RISK CONTRADICTORY AND DILATORY RESPONSES THAT WILL REAP MIS-UNDERSTANDINGS. THE PSYCHOLOGICAL EUPHORIA ITSELF WHICH THE VISIT ESTABLISHED CAN NOT SURVIVE WITHOUT SOME DEMONSTRATION IN FOLLOW-UP

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 CARACA 06959 01 OF 02 122238Z

THAT VENEZUELA'S FRIENDSHIP HAS SOME MEANING FOR US. THEREFORE HOW DO WE SEE VENEZUELA, WHAT BASIC OBJECTIVE AND PURPOSE SHOULD OUR RELATIONSHIP SERVE, AND HOW MUCH ARE WE PREPARED TO DO TO ACHIEVE THEM?

4. FROM MY NOTES ON THE PRESIDENTIAL CONVERSATIONS I HAVE GLEANED A CHECK-LIST OF THE MAJOR THINGS ON WHICH FOLLOW-UP IS INDICATED. I HAVE DIVIDED THESE INTO TWO CATEGORIES: A) THINGS ON WHICH CAP WILL EXPECT US TO TAKE THE LEAD, I.E. THINGS CONCERNING WHICH WE SHOULD TAKE THE NEXT STEPS, MAKE FURTHER SUGGESTIONS OR ASK FOR FURTHER CONSULTATIONS; B) THINGS ON WHICH CAP WILL PROBABLY TAKE THE NEXT STEPS BUT WHICH WOULD BE OF SIGNIFICANT INTEREST TO US, I.E. THINGS WHICH WE SHOULD FOLLOW CLOSELY, PERHAPS INQUIRE, PERHAPS SEEK TO INFLUENCE. I LIST THESE BELOW WITH QUESTIONS AS TO THEIR STATUS AND WASHINGTON'S THINKING, AS WELL AS SOME RECOMMENDATIONS.

5. WE NOW NEED SOME SORT OF OVERVIEW MONITORING OF THESE VARIOUS MATTERS TO INSURE COORDINATION AND EFFECTIVE FOLLOW-UP. I CALL THIS CHECK-LIST TO YOUR ATTENTION WITH THAT IN MIND.

6. A) THINGS ON WHICH CAP AWAITS WORD FROM US.

(1) CARRIBBEAN. CAP SUGGESTED COORDINATED ACTION ON AID TO THE CARIBBEAN AND AN INTERNATIONAL CONFERENCE AMONG INTERESTED PARTICIPANTS TO DETERMINE WHAT KIND MECHANISM TO SET UP AND HOW AID MIGHT BE CORDINATED. WE INDICATED SYMPATHY AND HE EXPECTS TO HEAR FROM US. HE WOULD BE NONPLUSSED IF WE SIMPLY PROCEEDED TO ORGANIZE AID PACKAGES WITHOUT FURTHER CONSULTATIONS WITH HIM. AMBASSADOR YOUNG'S PLANNED VISIT TO CARACAS WILL BE RESPONSIVE TO SOME DEGREE. BUT WE MUST DECIDE WHETHER WE THINK VENEZUELA CAN PLAY A ROLE AND IF SO, HOW DO WE CONTEMPLATE CONSULTING WITH VENEZUELA ON HOW TO STRUCTURE INTERNATIONAL ASSISTANCE TO THE REGION (AS CAP BELIEVES) OR DO WE CONTEMPLATE STRUCTURING SOME PLAN FIRST ALONG LINES WE WANT AND THEN INVITING VENEZUELA TO PARTICIPATE?

ACTION REQUESTED: WE SHOULD EARLY ON GIVE THE GOV OUR ASSESSMENT  
CONFIDENTIAL

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PAGE 04 CARACA 06959 01 OF 02 122238Z

OF HOW WE SEE THINGS AND WHAT IT IS WE INTEND TO DO OR BELIEVE OUGHT TO BE DONE. TO THE DEGREE VENEZUELA CAN BE BROUGHT INTO THE STRUCTURING OF ASSISTANCE TO THE REGION, THE BETTER.

(2) EXCHANGE OF INFORMATION ON TERRORISTS. CAP SUGGESTED THAT THERE SHOULD BE EXCHANGE OF INFORMATION AMONG THE US, VENEZUELA AND THE DOMINICAN REPUBLIC ON CUBAN EXILE TERRORISTS. ARE WE INTERESTED, AND IF SO WHAT ARE WE PREPARED TO PROPOSE?

(3) BELIZE. CAP SUGGESTED INTERNATIONAL PRESSURE ON GUATEMALA TO ACCEPT INDEPENDENCE. PRESIDENT CARTER SAID "WE'LL WORK WITH YOU" AND SUGGESTED MEDIATION MIGHT BE IN ORDER. WE MAY NOT IN THE CIRCUMSTANCES WANT TO ENCOURAGE ANY FURTHER JOINT EFFORTS, OR WE MAY FIND IT DESIRABLE TO ENCOURAGE VENEZUELA TO HELP (AS THE UK ASKED IN ITS LETTER TO CAP). WHAT WOULD BE IN ORDER IS TO PASS TO CAP OUR ASSESSMENT OF THE SITUATION AFTER THE WASHINGTON TALKS BETWEEN THE UK AND GUATEMALA, OUR VIEWS ON WHAT NEXT AND OUR INTEREST IN HIS VIEWS.

CONFIDENTIAL

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PAGE 01 CARACA 06959 02 OF 02 122340Z

ACTION ARA-14

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-----027865 130019Z /64

P 122100Z JUL 77

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 8376

C O N F I D E N T I A L SECTION 2 OF 2 CARACAS 6959

ACTION REQUESTED: THAT WE PASS SUCH ASSESSMENT TO CAP AND CONSULT  
ON HOW HE SEES IT.

(4) BOLIVIAN ACCESS. CAP SUGGESTED THAT THE BEST ANSWER TO  
CHILEAN-PERUVIAN TENSION WAS TO INSURE A VIABLE FORMULA FOR BOLIVIAN  
ACCESS TO THE SEA. WHAT WOULD MAKE A FORMULA VIABLE, HE SUGGESTED,  
WAS INTERNATIONAL SPONSORSHIP AND ESPECIALLY AN INTERNATIONAL  
DEVELOPMENT PROGRAM FOR THE REGION. AGAIN PRESIDENT CARTER SAID WE  
WOULD STUDY THESE SUGGESTIONS. WHATEVER THE VALIDITY OF CAP'S IDEAS,  
HE DOES EXPECT SOME RESPONSE. THEREFORE WE DO OWE HIM SOME ANALYSIS  
OF THE SITUATION AND OF WHAT WE THINK OUGHT TO BE DONE, I.E. WHETHER  
HIS IDEA OUGHT TO BE PURSUED OR NOT AND HOW. ACTION REQUESTED:  
THAT WE PASS TO CAP AS SOON AS WE CAN A FULL AND REASONED  
ASSESSMENT OF HIS PROPOSAL AND OF THE PROBLEM.

(5) NORTH-SOUTH. EXTENSIVE DISCUSSION CENTERED ON WHERE WE  
GO FROM HERE ON THE NORTH-SOUTH DIALOGUE AND WE ACCEPTED THE IDEA  
THAT THE UN SHOULD ESTABLISH A STEERING OR MONITORING GROUP OF ABOUT  
35 NATIONS, INCLUDING SOCIALIST COUNTRIES IF THEY WISHED TO PARTIC-  
IPATE. PEREZ GUERRERO HAD FURTHER CONSULTATIONS WITH COOPER ON THE  
MODUS OPERANDI AND BASICALLY THE GOV EXPECTS THAT THERE WILL BE  
CONSULTATION BETWEEN US ON STRATEGY AND JOINT EFFORTS TO CONVINCE OUR  
RESPECTIVE GROUPS (DC'S AND LDC'S) TO ACCEPT THIS FORMULA. IT WOULD  
CONFIDENTIAL

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PAGE 02 CARACA 06959 02 OF 02 122340Z

BE AN INDICATION OF OUR SINCERITY IF WE WERE TO STAY IN  
TOUCH ON OUR LATEST IDEAS AND PLANS. ACTION REQUESTED: THAT WE  
EXCHANGE WITH PEREZ GUERRERO OUR CURRENT ASSESSMENT AND SUGGESTIONS  
AT SOME POINT BEFORE THE 31ST/UNGA SESSION RESUMES.

(6) PANAMA NEGOTIATIONS. CAP SAW PANAMANIAN NEGOTIATIONS TWICE ON  
HIS TRIP-- IN WASHINGTON JUNE 28 AND IN NEW YORK JUNE 30. WHILE IT  
IS NOT CLEAR THAT CAP EXPECTS ANY SPECIFIC INITIATIVE FROM US,  
TORRIJOS KEEPS HIM FULLY INFORMED AND CAP MIGHT STILL BE HELPFUL TO  
US. DO WE WANT TO ASK ANYTHING OF HIM? SINCE TORRIJOS KEEPS HIM  
INFORMED DO WE  
WANT TO KEEP CAP ABREAST OF OUR PERCEPTIONS TO KEEP HIM BALANCED?  
ACTION REQUESTED: AT SOME POINT, DEPENDING ON HOW THE NEGOTIATIONS  
ARE GOING, WE MIGHT PASS TO HIM OUR BRIEFING AND ANALYSIS OF HOW  
THINGS STAND.

(7) TRADE LAW. PRESIDENT CARTER PROMISED THAT WE WOULD HANDLE THE PROBLEM SOMEHOW WITH THE CONGRESS. CONGRESSMAN VANIK IS HOLDING HEARINGS ON HIS BILL, AND THE VENCHAM IS TESTIFYING. WHAT IS OUR CURRENT VIEW ON THIS, AND WHAT ACTION WILL THE EXECUTIVE TAKE?

(8) TAR SANDS AND ENERGY TECHNOLOGY. WHILE NOT DISCUSSED EXHAUSTIVELY, CAP DID INDICATE THAT US TECHNOLOGY WOULD BE HELPFUL BUT THAT THE QUESTION WAS POLITICALLY SENSITIVE IN VENEZUELA.

PRESIDENT

CARTER SUGGESTED THAT THE "ENERGY MINISTERS" STAY IN TOUCH ON THIS MATTER. VENEZUELAN MINISTER OF MINES HERNANDEZ IS DESIROUS OF DEVELOPING A PROCESS OF CONSULTATION WITH SPEC. ASST. SCHLESINGER (HE FEELS THAT THE WASHINGTON MEETING WAS JUST A "FEELING OUT") ON THIS AND OTHER BILATERAL ENERGY MATTERS. HERNANDEZ VISITED WEST GERMANY PRIOR TO THE OPEC MEETING AT THE INVITATION OF THE GERMAN GOVERNMENT AND WILL ACCEPT A SIMILAR INVITATION TO THE UK FOLLOWING THE OPEC MEETING. IN BOTH CASES GERMAN AND BRITISH CONFIDENTIAL

CONFIDENTIAL

PAGE 03 CARACA 06959 02 OF 02 122340Z

INDUSTRY WILL BE WOOLING HIM. HERNANDEZ WOULD BE WILLING TO VISIT WASHINGTON ON HIS WAY BACK (ABOUT JULY 20) BUT CAN MEET LATER AS WELL. AN EXPECTATION OF CONSULTATIONS AND EXCHANGES ON ENERGY, IF ONLY PERSONAL, IS AMONG THE HIGHEST OF THE GOV EXPECTATIONS. IGNORING THEM IN THIS AREA WILL NOT BE HELPFUL. ACTION REQUESTED. THAT AN INVITATION BE EXTENDED TO HERNANDEZ TO VISIT WASHINGTON AT SOME MUTUALLY APPROPRIATE EARLY DATE. AT THAT TIME THE POSSIBILITY OF GOVERNMENT-TO-GOVERNMENT COOPERATION IN ENERGY TECHNOLOGY SHOULD BE EXPLORED.

(9) SCIENCE AND TECHNOLOGY. ALTHOUGH THIS TOPIC DID NOT COME UP AS SUCH DURING THE VISIT, THE GOV HAD PRIOR TO THE VISIT GIVEN US A REVISED DRAFT OF AN S&T AGREEMENT PLUS ONE ON COOPERATION IN ENVIRONMENTAL CONTROL. THE BALL IS IN OUR COURT. ACTION REQUESTED: THAT WE RESPOND TO THE COUNTER DRAFTS.

7. B) THINGS ON WHICH GOV WILL PROBABLY ACT AND REGARDING WHICH WE MAY WISH TO KEEP UP-TO-DATE.

(1) NUCLEAR REPROCESSING PLANT. CAP SUGGESTED THAT THE LTIN AMERICANS SHOULD ESTABLISH A JOINTLY OWNED NUCLEAR REPROCESSING PLANT. HE PROPOSED OLADE AND SELA AS POSSIBLE VEHICLES. DO WE WISH TO SEE THIS IDEA PROSPER? DO WE WISH TO INFLUENCE IT OR COORDINATE IT WITH ANY INTERNATIONAL IDEA? IF SO WE SHOULD PRESENT OUR IDEAS OR UNDERTAKE FURTHER CONSULTATIONS WITH GOV.

(2) ILLEGAL PAYMENTS. CAP PROMISED TO CONSULT WITH G-77 NATIONS AS TO SUPPORT OF OUR POSITION ON A MULTILATERAL TREATY. IT WOULD BE HELPFUL IF DEPT. COULD KEEP US INFORMED OF LATEST DEVELOPMENTS, AND WE WOULD BE PREPARED TO MAKE FURTHER REPRESENTATIONS OR TAKE FURTHER

READINGS AS INSTRUCTED.

(3) SOUTH AFRICA. PRESIDENT CARTER ASKED THAT VENEZUELA USE ITS INFLUENCE WITH OTHER AFRICAN NATIONS TO INDUCE SOUTH AFRICA TO TAKE STEPS ON NAMIBIA. WE CAN KEEP IN TOUCH WITH GOV ON THIS, AND WOULD APPRECIATE GUIDANCE OR INSTRUCTIONS AS MAY BE APPROPRIATE.  
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PAGE 04 CARACA 06959 02 OF 02 122340Z

(4) LAW OF THE SEA. IT WAS AGREED THAT AMBS. RICHARDSON AND AGUILAR WOULD TRY TO WORK OUT SOME FORMULA TO RESOLVE THE ECONOMIC ZONE-HIGH SEAS QUESTION. ARE THERE ANY FURTHER REPRESENTATIONS THAT WE SHOULD MAKE WITH FOREIGN MINISTER OR PRESIDENT IN THIS REGARD?

(5) TLATELOLCO AND NPT. BOTH PRESIDENTS AGREED TO DO WHAT WE COULD TO BRING TLATELOLCO TREATY INTO FORCE AND TO GET NATIONS TO SIGN THE NPT. DO WE WANT TO SUGGEST ANY PARTICULAR STEP OR GAME PLAN IN THIS REGARD, OR SIMPLY LET NATURE TAKE ITS COURSE?

(6) ECONOMIC INTEGRATION. CAP EXPRESSED THE FEAR THAT IN THE PAST US OPPOSED ECONOMIC INTEGRATION. PRESIDENT CARTER ASSURED HIM WE DO NOT. THE ANDEAN PACT IS PARTICULARLY DEAR TO GOV HEARTS AND THE IDEA OF INTEGRATION AROUSES WIDE SUPPORT IN LATIN AMERICA. DO WE HAVE ANY THOUGHTS AS TO MEASURES TO DEMONSTRATE SUPPORT FOR OR TO STIMULATE INTEGRATION EFFORTS?  
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## Message Attributes

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